McGill University.

STATEMENT OF THE BOARD OF GOVERNORS RESPECTING THE FINANCIAL POSITION OF THE UNIVERSITY AND ITS PRESENT WANTS.

APRIL, 1886.

In July, 1881, a statement with respect to the financial position and wants of McGill University was prepared and presented to its friends, with the view of obtaining an increase of its endowments. The following facts were at that time referred to in connection with an appeal for benefactions :—

"On the re-organisation of McGill University under its Amended Charter, it became apparent that without increased revenues it could not hope to enter on a career of practical usefulness. Its income was insufficient to support the requisite number of Chairs, its aids from the Provincial Government were very small, and its real estate could not be rendered productive, except gradually. In 1856, therefore, an appeal was made to the citizens of Montreal to sustain it by subscriptions and permanent endowments."

"To this appeal a most hearty and liberal response was made, as is shown by the list of benefactions in the Calendar of the University, headed by the endowment of the Molson Chair of English Literature. In subsequent years this liberality was followed up by other benefactions, including, besides contributions to the general funds and to the Faculty of Applied Science, the endowment of the Peter Redpath, Logan and John Frothingham Chairs, the erection of the William Molson Hall and other buildings, the endowment of many Scholarships, Medals and Prizes."

"By these aids and the careful administration of the estate of the founder, * * * * the University has been enabled, by limiting its expenditure to the more essential requirements of educational work, to attain a position second to that of no University in the Dominion, and to develop its means of instruction in the Faculty of Arts and the Professional Faculties, on a scale not previously attempted in this country, and with the most encouraging results with respect to its number of students and graduates and the educational benefits actually conferred. It has also been enabled to promote the establishment and further the success of Theological Colleges, which are of the utmost value to the leading Protestant denominations of this Province. It has obtained large donations of books, specimens and apparatus for the use of the public, and latterly, through the munificence of Mr. Peter Redpath, it has been enabled to associate with itself the great Museum which bears his name, and which will be to all time one of the most attractive and useful of the educational and economic institutions of the city."

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"It is to be observed, however, that the revenue of the University has at no time been more than barely sufficient for its maintenance, and that the most rigid economy has been necessary in order to enable the staff and appliances required for its actual work to be supported. It has hence arisen, that through the demands for improvement in educational facilities, along with the necessity within a few years past to make certain large capital payments connected with the estate and its burdens, the Governors have found that a deficit which has appeared in the published accounts of the two past years, but which they had hoped would have been effaced by new sources of income, threatens, owing to the recent and heavy fall in the rate of interest receivable on all investments, to increase to such an amount that it has become a serious question whether they will be justified in impairing the capital by the continuance of educational work on its present scale." * *

"After much anxious deliberation, and weighing carefully the resources of the University, and the loss of usefulness and prestige certain to result from any diminution of the staff of instructors or their salaries, the Governors have resolved to retrench all expenditures that can be diminished without serious loss of efficiency, though by so doing they cannot avoid somewhat lessening the attractiveness of the University to students, but to postpone for one year any more serious retrenchments, in the hope that as heretofore the friends of education may come to their aid."

"They feel that they are the more justified in this course by the fact that the demand for the higher education and for extension rather than diminution of the facilities offered, was never so great as at present, and that any recession from the position occupied by McGill University, could not fail to place it at a disadvantage in relation to other institutions, and to have an effect detrimental to the interests of this city, and of the Protestant population of the Province."

The statement above quoted was accompanied with full information respecting the income and expenditure of the University, and with suggestions as to the special directions in which the most effectual relief could be afforded.

In response to this appeal endowments were given in 1881-2-3 to the amount of $33,500, and annual subscriptions extending over from two to five years to the amount of about $3,500 per annum. Subsequently to this, the William Scott Chair of Engineering was founded by the late Miss Barbara Scott, with a capital of $30,000; the Hiram Mills Chair of Classics, by the late Major Hiram Mills, with a capital of $43,000; the David J. Greenshields Chair of Chemistry and Mineralogy, by the late David J. Greenshields, Esq., with a capital of $40,000; and the Gale Chair, in the Faculty of Law, by the late Mrs. Andrew Stuart (*née* Agnes Logan Gale), with a capital of $25,000. The sum of $25,000 was also given by Mr. W. C. McDonald in endowment of his scholarships. In the Faculty of Medicine the Lean Choil endowment of $50,000 was given by the

Honorable D. A. Smith, and the Campbell Memorial Endowment of $50,000, by citizens of Montreal; while the Donalda Special Course for women has been endowed by the Honorable D. A. Smith with the sum of $50,000, to which the same donor has promised to add $70,000 on 1st June next. Within this period the University has also received a number of gifts of smaller amount for endowment of medals and scholarships, for the purchase of apparatus and for additions to the Museum.

The result has been that while on 1st July, 1881, the revenue-producing investments of the University amounted in round numbers to $385,000
They stood at the last balance, 1885, at 721,000

Showing an increase of $336,000
Of this sum the endowments *specially devoted* as detailed above, received to date, such as the Lean Choil and Campbell Funds for Medicine, the Donalda Fund for the education of women, the Gale Fund for Law and the McDonald Fund for scholarships, and other smaller contributions amount to 190,000

On the other hand the subscriptions of 1881-2-3, with the Scott, Mills and Greenshields endowments, amounting to $146,000 represent the addition to the General Fund of the University, *available for general purposes*, to make good the deficiency of revenue foreseen when the statement of 1881 was laid before the public, and to enable the University to maintain its work.

Of the larger sums above referred to, amounting to $190,000, (to be soon increased to $260,000 by the Hon. D. A. Smith's further liberality of $70,000) it will be observed that while, enabling the University to enlarge and extend its work, they, being specially applied in *new* directions, have *not* added to its *general* revenue. For these liberal aids the University has good reason to be grateful, and, with their assistance, it has been enabled to avoid any reduction of its educational work, and to add largely to its means of usefulness, more especially in medical education and the education of women. These benefactions are not, however, available generally, and as already stated the full extent of the benefactions received applicable to *general* purposes is $146,000.

Unfortunately, however, the rate of interest on investments has not recovered, nor is there prospect of this. On the contrary, the decline has, as is well known, continued. At the same time many

expenditures have been necessary in repairs and improvements of buildings, apparatus, &c., to keep pace with the requirements of the public, and the result has been that the income of the whole of the endowments and the amount of the annual subscriptions have been necessary to maintain educational efficiency, while the cessation of the annual subscriptions, at the end of the present financial year in June, 1886, will leave in the next year 1886–7, a probable deficit of about $2,500.

In these circumstances the Governors are desirous that, in order to prevent any reduction of the work now in progress, the friends of the University should consider the expediency of a farther increase of the endowment, so as to meet the probable deficit and to provide a surplus available for unforeseen emergencies and for additions demanded by the increase in the number of students. In furtherance of this the following suggestions are respectfully presented to those desirous of promoting the higher education.

I. It has been suggested that a British Association Memorial Fund, for the further endowment of the scientific courses of study in the Faculties of Arts and Applied Science, would be a fitting and useful commemoration of the successful meeting in this city in 1884, and of the part taken by the University and by gentlemen connected with it in that meeting. To contributors to this fund the University would grant a free tuition for one student in the Faculty of Arts for every sum of $1,000 contributed to the fund.

II. If preferred by contributors, their donations might be devoted to certain special objects, all more or less chargeable, or likely to be chargeable, on the general fund, which would be relieved by their being provided with special endowments. The objects most important in this respect at present are the following :—

1. The Principalship.
2. The Librarianship.
3. The Chair of Hebrew, to which the attention of the friends of the Theological Colleges is specially directed.
4. The Chair of French.
5. The Chair of German.
6. The Assistant Professorship of Classics.
7. The Chair of Mathematics.
8. The Chair of Descriptive Geometry.
9. The Chair of Botany, now temporarily provided for apart from the General Fund.
10. The Maintenance of the Faculty of Law.
11. The Maintenance of the Library, Museum and Apparatus.
12. The further endowment of the Faculty of Applied Science.

An endowment or endowments under either of the above heads to the amount of $75,000 would enable the University permanently to provide for the whole of its present work under the existing rates of interest on investments; but to meet all the demands now made for increased educational facilities would require an addition of not less than $250,000 to the present endowment.

In connection with the larger sum above stated, the Governors will be most grateful for any benefactions leading to new departments of educational work, or to the extension of those now in progress, or to the improvement of its buildings or additions thereto, in connection with any of the Faculties, and more especially to the erection of a college Dining-hall and of a building for the Faculty of Applied Science; but it is thought expedient for the present rather to invite attention to the objects above specified, not as being in themselves more important than others, but as being in such a position that their endowment would give immediate relief to the general fund and thus contribute to the security and progress of the University.

The Governors beg to submit the above facts and suggestions to their fellow-citizens, feeling that the maintenance and progress of an institution so important to the city, which has hitherto so liberally sustained it, is a matter of general interest, and one which will commend itself to the thoughtful consideration of an intelligent and progressive community. The Governors are on their part willing as heretofore to give their time and thought to the furtherance of the cause of higher education in connection with the University, and to administer in the most careful manner such funds as may be placed at their disposal. They can assure all benefactors that from year to year the expenditures have been sedulously watched with reference to their amounts and the practical utility of the objects for which they were made.

Further details as to the work, endowments, expenditures and present position of the University will be found in the Annual Report to the Visitor for last year, which has been printed for circulation.

Published by order of the Board of Governors,

JAMES FERRIER,
Chancellor and President.